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SUPPLEMENT TO
REPORT NO. 1

25X1X

COUNTRY ~~SECRET~~ China

SUBJECT Smuggling Across the Burma-China Border

PLACE
ACQUIRED

DATE OF
INFO.

25X1C

1. Between September 1950 and May 1951 approximately 1,500 drums of gasoline and 3,000 drums of lubricating oil have been smuggled across the Burma border from Kyukok (98-17; 24-05) into China. Each drum contains 44 gallons. More than 1,000 tires, 34 x 7 or 7.50 x 20, have been shipped into China. Apparently the Chinese Communists prefer Indian-made Firestone tires to tires manufactured in the U.S., as the former fetch a higher price in China. These products are all shipped to Chinese Communist headquarters at Kunming.
2. The gasoline and engine oil are not smuggled by agents of the Burnah Oil Company directly. No sales can take place without a permit from the commanding officer of 2 Kachin Rifles at Muse.
3. Gasoline arrives at Kyukok from Lashio. Formerly gasoline was smuggled directly from Lashio. Source personally observed one truck-load of 34 x 7 tires which arrived at Muse on 6 April 1951. After one week all the tires had disappeared. Anyone can engage in smuggling in this area providing it is not too obvious. The police, customs officers, and military are all aware that smuggling exists but they are willing to look the other way if bribed.

Next Review Date: 2008

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